

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)
FILING OF COLUMBIA GAS OF) CASE NO. 2012-00353
KENTUCKY, INC.)

O R D E R

On October 26, 2009, in Case No. 2009-00141,¹ the Commission approved rates for Columbia Gas of Kentucky, Inc. ("Columbia") and provided for their further adjustment in accordance with Columbia's Gas Cost Adjustment ("GCA") clause.

On July 27, 2012, Columbia filed its proposed GCA to be effective August 28, 2012.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Columbia's notice includes rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Columbia's Expected Gas Cost ("EGC") is \$4.9716 per Mcf, an increase of \$.7612 per Mcf from its last EGC of \$4.2104 per Mcf.
3. Columbia's notice sets out a rate for Banking and Balancing Service of \$.0208 per Mcf.

¹ Case No. 2009-00141, Application of Columbia Gas of Kentucky, Inc. for an Adjustment in Rates (Ky. PSC Oct. 26, 2009).

4. Columbia's notice sets out a current quarter supplier Refund Adjustment ("RA") of (\$.0040) per Mcf. Columbia's notice sets out a total RA of (\$.0326) per Mcf, which represents an increase of \$.0001 per Mcf from the prior RA of (\$.0327) per Mcf.

5. Columbia's notice sets out its Actual Cost Adjustment ("ACA") of (\$1.3382) per Mcf, which represents a decrease of \$1.1777 from the previous ACA of (\$.1605) per Mcf.

6. Columbia's notice sets out its Balancing Adjustment ("BA") of (\$.0736) per Mcf, which represents an increase of \$.2393 per Mcf from the previous BA of (\$.3129) per Mcf.

7. Columbia's notice sets out a Special Agency Service refund adjustment of (\$.0002) per Mcf, which represents no change from the previous rate.

8. Columbia's notice sets out its Gas Cost Incentive Adjustment ("GCIA") of \$.0189 per Mcf, which represents no change from the previous GCIA.

9. Columbia's approved Gas Cost Recovery ("GCR") rate is \$3.5459 per Mcf, which is a decrease of \$.1771 per Mcf from the previous GCR of \$3.7230 per Mcf.

10. The rates in the Appendix to this Order are fair, just, and reasonable and should be approved for the September 2012 billing cycle, beginning on August 28, 2012.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are approved for billing with the final meter readings beginning on August 28, 2012.

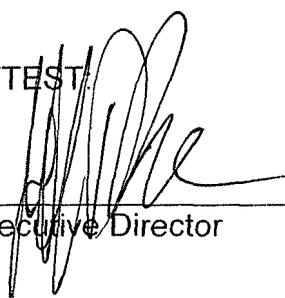
2. Within 20 days from the date of this Order, Columbia shall file its revised tariff sheets with this Commission setting out the rates authorized herein and reflecting that they were approved pursuant to this Order.

By the Commission

Commissioner Breathitt is abstaining from this proceeding.

ENTERED ^{AK}
AUG 21 2012
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2012-00353 DATED **AUG 21 2012**

The following rates and charges are prescribed for the customers in the area served by Columbia Gas of Kentucky, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Gas Cost Recovery Rate

The total Gas Cost Recovery rate shall be \$3.5459 per Mcf effective August 28, 2012.

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Director, Regulatory Services
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